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Information Technology Industry Council Submission on Services

Abstract

This paper focuses on language in the draft text that the IT industry supports on services. The specific preferred language is in blue italics. Language that we would like to see deleted is in red. New language is in black.

We particularly want to highlight the importance of including the broadest possible coverage to all modes of supply of information and computer services. These services form the bedrock of a modern economy and are inherently global. To fully benefit from the FTAA, all economies in the region should fully open their services sectors to all four modes of supply of such services.

Information Technology Services and Telecommunications Services

ITI believes that continuing to pursue services liberalization within the FTAA is more important than ever now that the WTO negotiations have been delayed. ITI believes that services liberalization will bring tremendous economic benefits to all countries of the Americas, and our countries should not miss this opportunity to advance the goal of liberalization of trade in services.

To promote overall liberalization of services and to support the services agenda listed below, ITI urges the adoption of a “top-down” or “negative-list” approach to the services negotiations. Such an approach assumes that all services sectors will be fully liberalized except where explicit reservations are made for specific services. This approach recognizes the economic importance of services, simplifying the negotiating process while providing for flexibility where needed. Each FTAA country should commit to full market access and national treatment for all information technology services. This structure and scope will help ensure protection for evolving information technology services, including those that are delivered electronically, and will help prevent new trade barriers from being created in the future.

The FTAA should contain strong disciplines on subsidies that would ensure a level playing field for U.S. services suppliers.

ITI urges negotiators to include the following objectives in the FTAA services agreement:

Article 1: Scope and Sectoral Coverage

Delete paragraph 2(c) exempting government procurement from coverage under this chapter.

Computer & Related Services

- Obtain full market access and national treatment commitments for computer and related services on a technology-neutral basis.
- Apply these commitments to computer and related services that are delivered electronically.

Telecommunications Services

- Ensure non-discriminatory access to, and use of, public telecom networks and services.
- Achieve cost-based access to leased lines.

- Promote binding rules on technology neutrality throughout the telecommunications sector, including in mobile telecommunications.

Services and E-Commerce

- Liberalize services that can be delivered electronically so that service providers can take full advantage of information technology and the Internet to reach world markets and so that service users will have a wide choice of providers to meet their services needs cost effectively.
- Obtain liberalization for the full range of services that are essential for initiating and completing e-commerce transactions, including in addition to those listed above: advertising services, online payment services, content-based services and express delivery services.
- Liberalize management consulting services so that organizations can obtain the expert advice that they will need to compete in the networked economy.

Special Safeguards

ITI recommends the deletion of any reference to the “creation of new sectors” in the context of special safeguards.